

AR51

CRUSADER MINES LIMITED

MR. SCOTT

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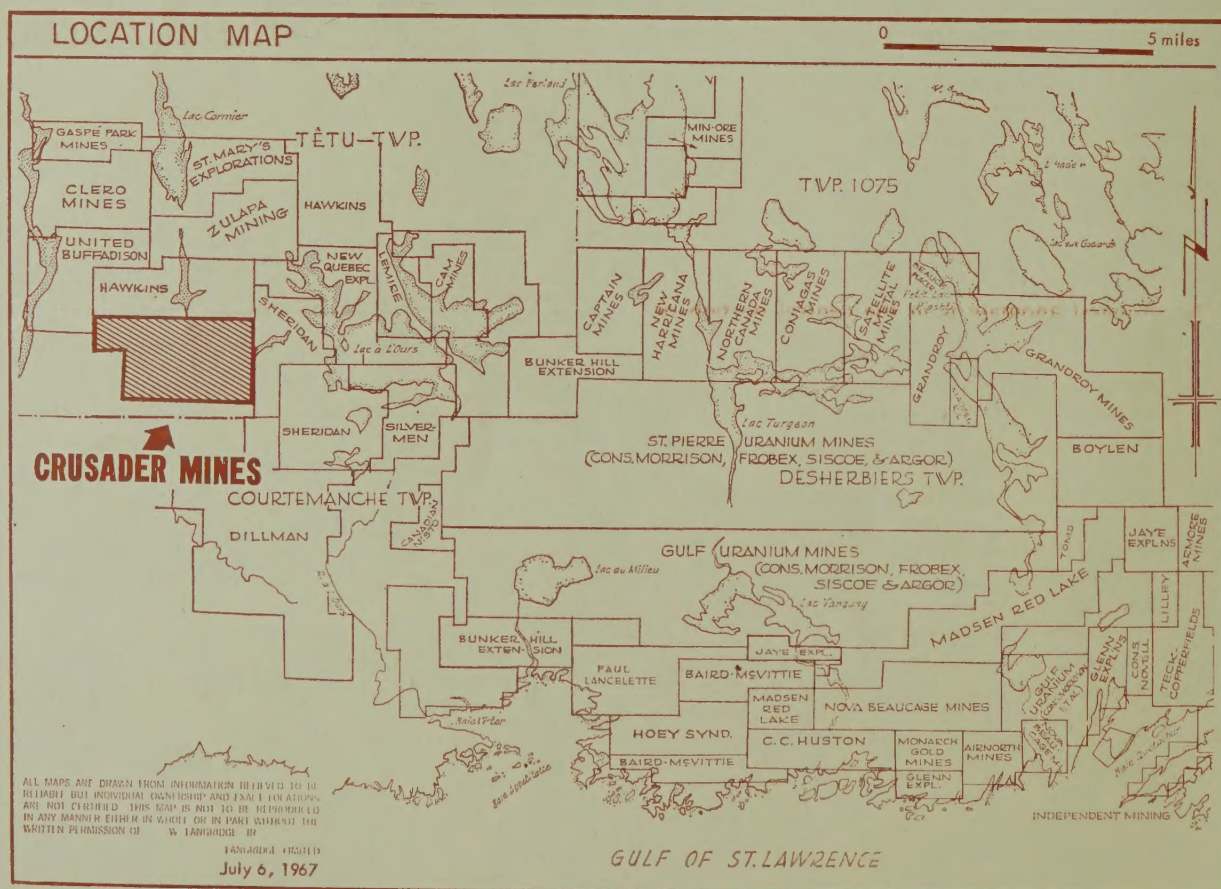
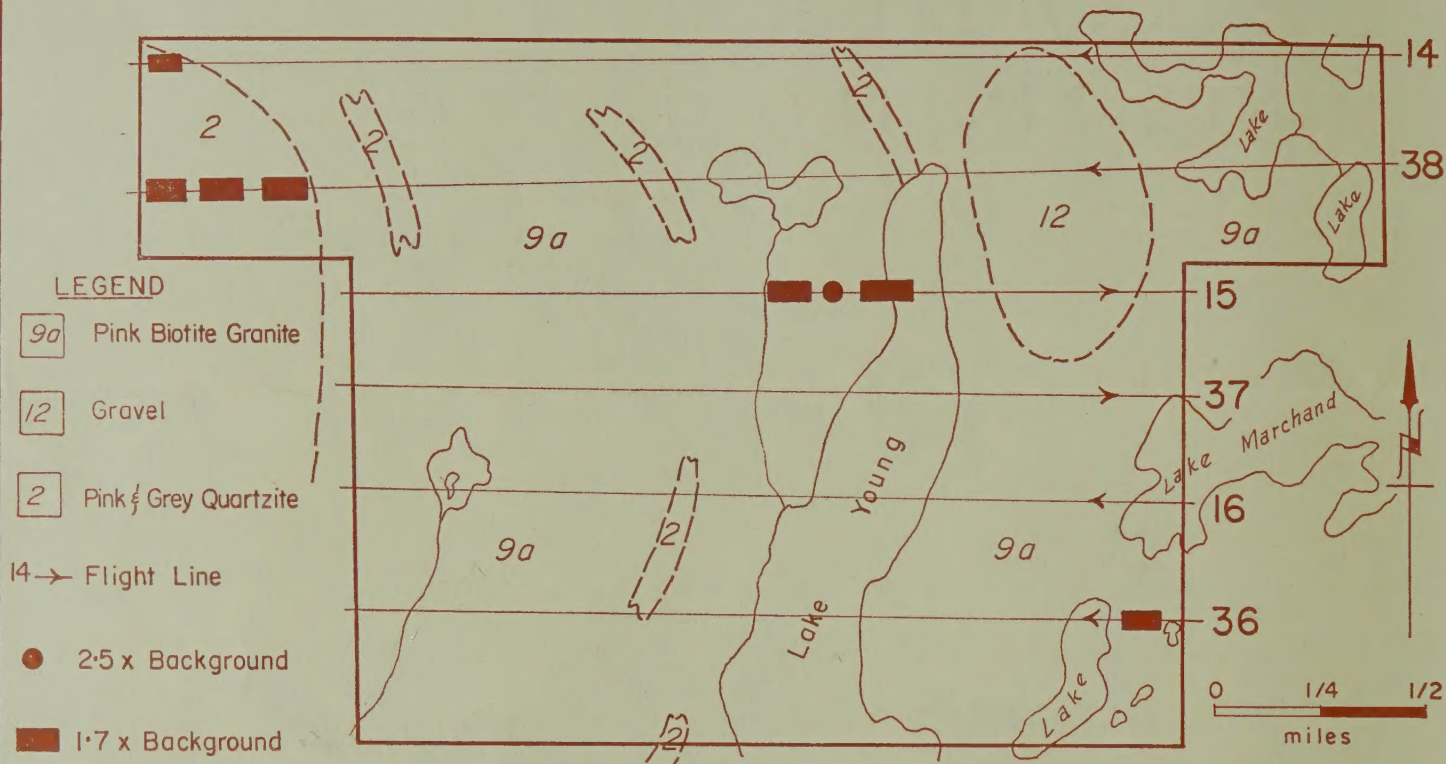
*Progress Report
To Shareholders*

August 8, 1967

CRUSADER MINES LIMITED

TETU TOWNSHIP, QUEBEC

AIRBORNE SCINTILLATION COUNTER SURVEY



CRUSADER MINES LIMITED

1721 Bayview Avenue, Toronto, Ont.

Dear Shareholder:

Shortly, your company will issue its first annual report in which both a full review of exploration activities and the financial statements for the initial fiscal period will be reported.

In the meantime, it was felt you might appreciate up-to-date news on your company's present mineral search efforts, particularly on the important property holdings in the Johan-Beetz area of Quebec and in New Brunswick.

QUEBEC NORTH SHORE

Recently Crusader Mines has acquired by outright purchase a 50-claim group in the Johan-Beetz district on the north shore of the St. Lawrence. This Quebec region is currently the centre of an increasingly active uranium search. Participating in the search is a wide representation of Canadian mining interests, spurred on by prospects of a shortage, developing in the next decade, for this mineral which is basic to the world's nuclear energy needs.

Crusader's property lies approximately three miles to the west of a large group of claims jointly held by Consolidated Morrison Explorations Limited, Frobex Limited, Siscoe Mines Limited and Argor Explorations, a group which adjoins the western boundary of the Grandroy Mines claims.

Prospecting Geophysics Limited has within the past few weeks completed an airborne magnetic and scintillation counter survey over the 50 claims owned by Crusader. The report on this survey, dated July 19, 1967, outlines disclosure of three separate anomalies. The report states: "The peaks range from 1.7 to 2.5 times background which compare favorably with the results obtained in a test line over the radioactive showing on the property of Consolidated Morrison and associates."

The report continues:

"The strongest anomaly is in the central portion of the property on line 15. There is no magnetic association with the radioactivity but there is an extensive magnetic low to the south. The anomaly appears to be entirely within the granite intrusive.

"In the northwest corner of the property a rather large area of radioactivity is shown on two lines. This appears to be within a quartzite band but near the contact with the granite. A magnetic low appears to be associated with the radioactivity on line 38.

"The other anomaly is in the southeast corner of the property and is on one line only. This is in the granite and has no magnetics associated with it.

"Line 37 shows a fairly extensive anomaly with a peak intensity of 2,000 gammas at one end while a low exists at the other end of the line. This suggests the possibility of an east-west structure and should be investigated on the ground."

Detailed ground investigation has been recommended on these anomalies. The company's field crews are now on the property and this follow-up work is in progress.

NEW BRUNSWICK

Crusader Mines has staked a total of 63 contiguous claims in Gloucester county, N.B., about 20 miles southwest of the town of Bathurst. The area is the rich Bathurst-Newcastle mining district and the company's holdings are mid-way between the Brunswick Mining and Smelting mine and mill complex, six miles to the northeast, and Cominco's Wedge mine, about five miles to the southwest.

Preliminary work on these claims has led up to diamond drilling, which is now in progress.

Following a magnetometer survey over the entire claim group, your company employed McPhar Geophysics Limited to conduct a combined induced polarization and resistivity survey on a portion of the holdings. This was carried out on 25 claims in the eastern half of the property and results of the geophysical test were encouraging. The McPhar report, dated May 19, 1967, said in its summary that "strong anomalies were encountered on every traverse, particularly across the southern and northern portions of the grid."

The McPhar survey indicated six anomalous zones altogether. Drilling was recommended and has commenced on one of these zones in the north section of the area surveyed.

Your management has retained Scope Mining & Exploration Consultants Limited to supervise this program which is now proceeding on a professional basis.

OTHER HOLDINGS

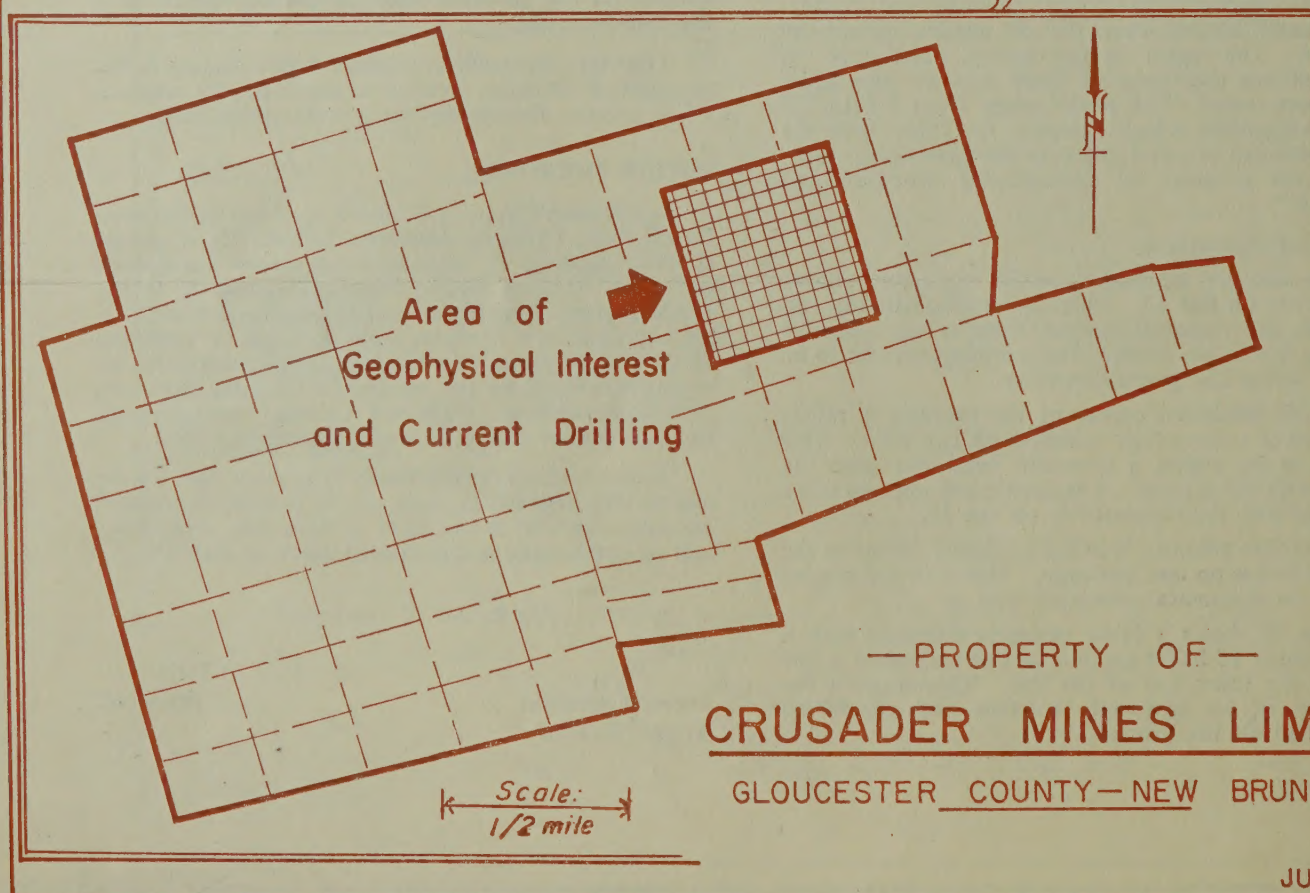
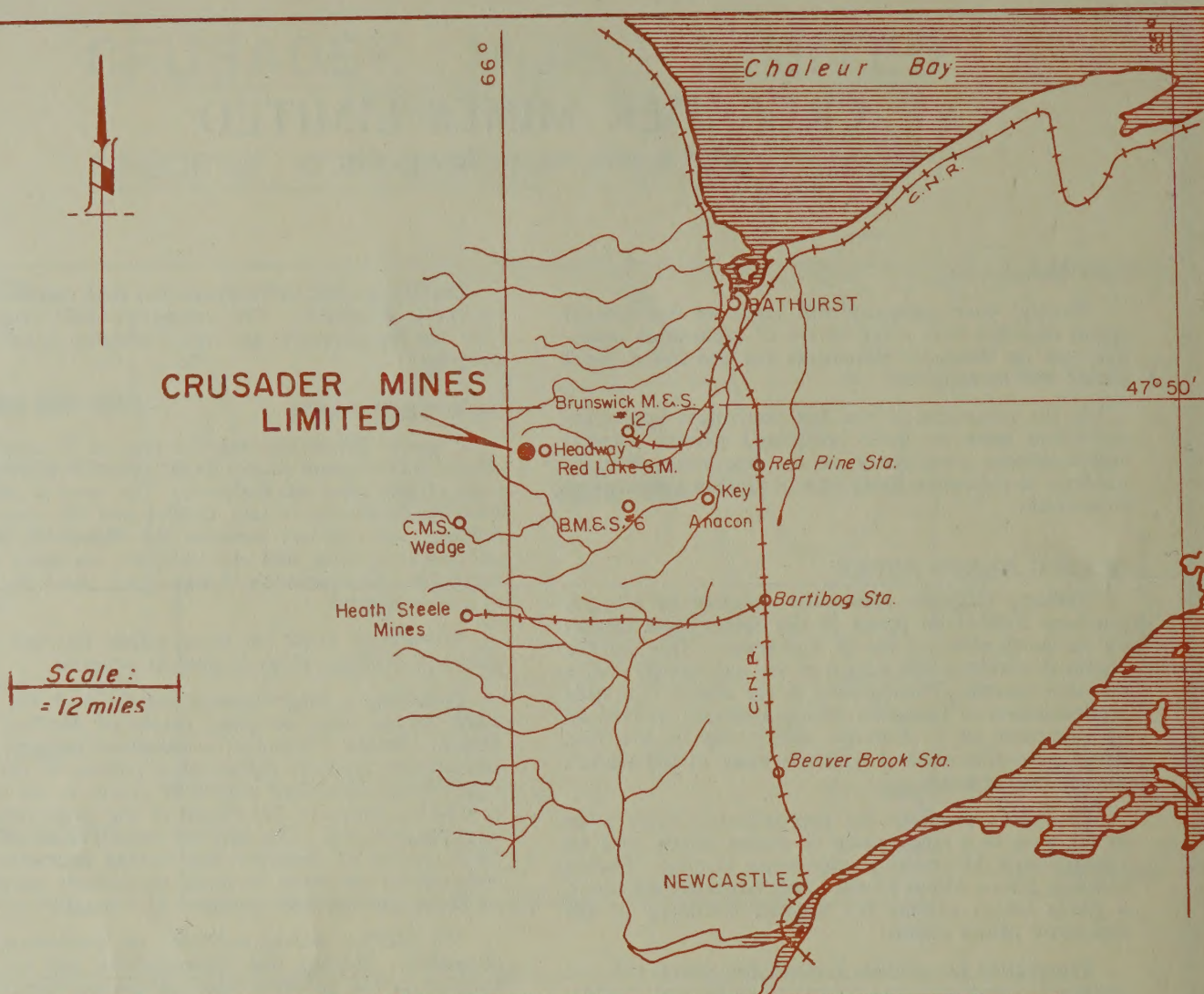
In northern Ontario's Timmins area and in Quebec's Gaspé Park, Crusader continues to hold claim groups in good standing. A magnetometer survey was carried out on a 20-claim (Joffre Township) property in the Gaspé region. Magnetometer and geochemical soil testing was done on a 24-claim group in Lemieux Township of the Gaspé region. At Timmins, electromagnetic surveying was done on the company's 10-claim Hurdman Township holding. Plans for further exploration on these properties are yet to be formulated.

Your company, incorporated little more than a year ago, is well financed to carry out its present exploration commitments and is fortunate to have able consultants and an enthusiastic and dedicated board of directors.

On behalf of the board,

L. J. WALTON,
President.

Toronto, Ontario
August 8, 1967



JULY 1967